

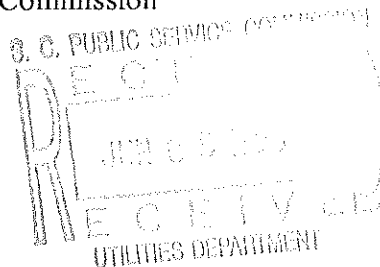
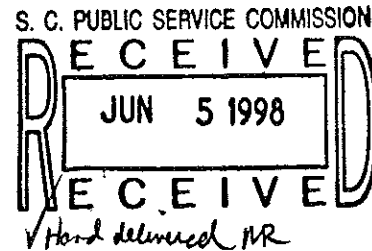


Charles S. "Steve" Parrott
Director - Regulatory Affairs

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Mid-Atlantic Operations
14111 Capital Boulevard
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June 5, 1998

Mr. Charles Ballentine
Executive Director
South Carolina Public Service Commission
111 Doctors Circle
P. O. Box 11649
Columbia, SC 29211



Dear Mr. Ballentine:

Attached for your consideration and approval is a copy of United Telephone Company of the Carolinas' (United's) Price Regulation Plan as set forth in S.C. Code § 58-9-576(B).

Effective September 29, 1997 United elected to have the rates, terms, and conditions for its services regulated under price regulation rather than rate of return or other forms of earnings regulations. The attached Plan formally adopts the language of the South Carolina Code referenced above and certifies United's status as a rural or small local exchange carrier. The Plan further defines the complaint process applicable to the filing and review of United's tariffs.

If you have any questions, please contact John Stallings at 919-554-7326.

Sincerely,

C. Steve Parrott

Attachment

William P. Blume
Gary E. Walsh
Martin H. Bocock
Laura A. Sykora
John H. Stallings, Jr.

6/5/98

PRICE REGULATION PLAN
FOR
UNITED TELEPHONE COMPANY OF THE CAROLINAS

1. United's Price Regulation Plan

United Telephone Company of the Carolinas (hereinafter referred to as the "Company" or "United") elected, effective September 29, 1997, (election attached as Exhibit 1) to have the rates, terms, and conditions for its services regulated under the price regulation plan set forth in S.C. Code § 58-9-576(B). The referenced Code section (attached as Exhibit 2) provides for alternative forms of regulation, or price regulation, rather than rate of return or other forms of earnings regulation.

As a result of this election, the Company acknowledges it is governed by the plan set forth in the above statute. The Company certifies that it meets the definition of a "small local exchange carrier" or "small LEC" as described in S.C. Code § 58-9-10(14) (included in Exhibit 2) and 47 U.S.C. § 153(37) under the Communications Act of 1934, as amended. A copy of United's "Self Certification as a Rural Telephone Company" as filed with the Federal Communications Commission is attached as Exhibit 3. In addition, United certifies that on the date it elected to have its rates, terms, and conditions for its services determined pursuant to the attached plan, its prices were below the statewide average local service rate, weighted by the number of access lines. Accordingly, for the United Plan, the provisions of the S.C. Code § 58-9-576(B)(3) and (4) are hereby waived by the Commission.

2. Applicability of Plan

The Price Regulation Plan, as adopted by United, will apply to all South Carolina Public Service Commission (the Commission) regulated services that are offered by the Company.

3. Filing and Review of Tariffs

The Company shall file tariffs that set out the rates, terms and conditions for its services. The tariffs shall be presumed valid and become effective seven days after filing for price decreases and fourteen days after filing for price increases and new services.

The Commission may, on its own motion or in response to a petition from any interested party, investigate whether a proposed tariff is in the public interest. Such an investigation

must be initiated within thirty (30) days after the tariff is filed. Within ninety (90) days of the initiation of the investigation, unless further suspended by the Commission, the Commission shall issue a final order either approving or modifying the proposed tariff. Absent final Commission action within ninety (90) days, unless further suspended by the Commission, the proposed changes shall be deemed approved. Proposed tariffs will be effective as specified in the tariff and may remain in effect during the investigation. However, following Commission action within the foregoing time periods, the Company agrees that any necessary rate adjustment shall be made retroactive to the effective date of the tariff.

4. Reporting

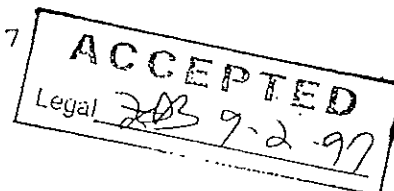
Reports will be issued in accordance with the Rules and Regulations Governing Service Supplied by Telecommunications Companies in South Carolina. Reports shall be filed on a quarterly basis to include Service Reports for Customer Trouble Reports per 100 Access Lines, Customer Out of Service Trouble Clearing Times, and Held Application/Availability of Service, by exchange by month. An Annual Report will be filed including the financial and access line information being furnished by United on the date it elected to have its services regulated under the referenced price regulation plan.



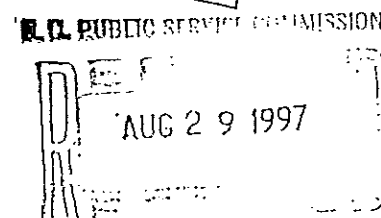
Carolina Telephone
Centel-North Carolina
Centel-Virginia
United Telephone-Southeast

James B. Wright
Senior Attorney

August 29, 1997



Mr. Charles W. Ballentine
Executive Director
South Carolina Public Service Commission
111 Doctors Circle
P. O. Drawer 11649
Columbia, SC 29211



RE: Notice of Election

Dear Mr. Ballentine:

United Telephone Company of the Carolinas ("United"), pursuant to Section 58-9-576(A) of the Code of South Carolina, hereby notifies the South Carolina Public Service Commission that United elects to have the rates, terms and conditions for its services regulated pursuant to the price regulation plan set forth in subparagraph B of Section 58-9-576, such alternative form of regulation to be effective September 29, 1997.

United is qualified for such election since it has entered into local interconnection agreements with entities not affiliated with United and such agreements have been approved by this Commission (See Order No. 97-558 in Docket No. 97-254-C and Order No. 97-560 in Docket No. 97-256-C).

United acknowledges that as a result of this election it will be governed by the plan provisions set forth in the above statutes, and United agrees to abide by all such provisions.

Very truly yours,

A handwritten signature in cursive script that reads "James B. Wright".
James B. Wright

JBW:mhh

CC: Dwight Allen
Steve Parrott
Martin Bocock
Don Horton

#12017

CHAPTER 9.

TELEPHONE, TELEGRAPH AND EXPRESS COMPANIES

ARTICLE 1.

TELEPHONE COMPANIES--GENERAL PROVISIONS

SECTION 58-9-10. Definitions.

When used in Articles 1 through 13 of this chapter:

(14) The term "small local exchange carrier" or "small LEC" means a rural telephone company as defined on February 8, 1996, in the federal Telecommunications Act of 1996.

SECTION 58-9-576. Election by LEC (local exchange carrier); alternative forms of regulation; duties of LEC.

(A) Any LEC may elect to have rates, terms, and conditions determined pursuant to the plan described in subsection (B), provided the commission has approved a local interconnection agreement in which the LEC is a participant with an entity determined by the commission not to be affiliated with the LEC or the commission determines that another provider's service competes with the LEC's basic local exchange telephone service.

(B) Notwithstanding any other provision of this chapter, effective July 1, 1996, any LEC may elect to have its rates, terms, and conditions for its services determined pursuant to the plan described in this subsection, in lieu of other forms of regulation including, but not limited to, rate of return or rate base monitoring or regulation, upon the filing of notice with the commission as follows:

(1) If the provisions of (A) have been met, the plan under this subsection becomes effective on the date specified by the electing LEC but in no event sooner than thirty days after such notice is filed with the commission.

(2) On the date a LEC notifies the commission of its intent to elect the plan described in this section, existing rates, terms, and conditions for the services provided by the electing LEC contained in the then-existing tariffs and contracts are considered just and reasonable.

(3) The rates for flat-rated local exchange services for residential and single-line business customers on the date of election shall be the maximum rates that such LEC may charge for these local exchange services for a period of two years from the date the election is filed with the commission. During such period, the local exchange company may charge less than the authorized maximum rates for these services. For those small LEC's whose prices are below the statewide average local service rate, weighted by number of access lines, the commission shall waive the requirements of this paragraph.

(4) For those companies to which item (3) applies, after the expiration of the period set forth above, the rates for flat-rate local exchange residential and single-line business service provided by a LEC may be adjusted on an annual basis pursuant to an inflation-based index.

(5) The LEC's shall set rates for all other services on a basis that does not unreasonably discriminate between similarly situated customers; provided, however, that all such rates are subject to a complaint process for abuse of market position in accordance with guidelines to be adopted by the commission.

(6) A LEC subject to this section shall file tariffs for its local exchange services that set out the terms and conditions of the services and the rates for such services. The tariff shall be presumed valid and become effective seven days after filing for price decreases and fourteen days after filing for price increases and new services.

(7) Any incumbent LEC operating under an alternative regulatory plan approved by the commission before the effective date of this section must adhere to such plan until such plan expires or is terminated by the commission, whichever is sooner.



Jay C. Keithley
Vice President

Law & External Affairs
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April 30, 1998

Ms. Sheryl Todd
Universal Service Branch
Accounting and Audits Division
Federal Communications Commission
2100 M Street, N.W.
8th Floor
Washington, D.C. 20554

RE: Self-Certification as a Rural Telephone Company

Dear Ms. Todd:

47 U.S.C. § 153 (37) defines a "rural telephone company" under the Communications Act of 1934, as amended. The Commission has directed a carrier seeking to be classified as a rural telephone company to file a letter certifying itself to be rural, and explaining how it meets at least one of the criteria delineated in the statute. Pursuant to the Commission's instruction, United Telephone Company of the Carolinas ("Sprint") herein certifies that it is a rural telephone company in the state of South Carolina for purposes of 47 U.S.C. § 153 (37)(A)(ii) and (C). The company's status as a rural carrier has not been addressed in South Carolina.

Section (A)(ii) provides that a local exchange carrier is rural if it provides common carrier service to any local exchange carrier study area that does not include any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993. An 'urbanized area' is used by the Census Bureau to distinguish between rural and urban areas. The Bureau defines an urbanized area as an area that:

...comprises one or more places ("central place") and the adjacent densely settled surrounding territory ("urban fringe") that together have a minimum of 50,000 persons. The urban fringe generally consists of contiguous territory having a density of at least 1,000 persons per square mile. The urban fringe also includes outlying territory of such density if it was connected to the core of the contiguous area by road and is within 1 ½ road miles of that core, or within 5 road miles of the core but separated by water or other

Ms. Sheryl Todd

April 30, 1998

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undevelopable territory. Other territory with a population density of fewer than 1,000 people per square mile is included in the urban fringe if it eliminates an enclave or closes an indentation in the boundary of the urbanized area. The population density is determined by (1) outside of a place, one or more contiguous census blocks with a population density of at least 1,000 persons per square mile or (2) inclusion of a place containing census blocks that have at least 50 percent of the population of the place and a density of at least 1,000 persons per square mile.

Bearing in mind this definition, Sprint obtained data depicting the urbanized area boundaries in the state of South Carolina. That information was compared with the specific boundaries of Sprint's exchange areas in South Carolina and general data on population density in the state. The company next turned to MapInfo, a software tool that is capable taking this varied data and layering it to produce a map reflecting precisely where the relevant urbanized areas intersect with Sprint's service territories. The results of this exercise confirm that none of the territory in Sprint's study area is located in an urbanized area.

Finally, Section (C) states that a local exchange carrier is a rural company if it provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines. A review of Sprint's station data report (the data recounted annually to NECA) shows that, as of December 31, 1997, the study area served by Sprint in South Carolina contained 95,535 access lines. Therefore, Sprint qualifies as a rural carrier pursuant to this section of the statute.

It is on the basis of this information that Sprint certifies here that it is a rural telephone company in the state of South Carolina.

Respectfully,


Jay C. Keithley